

MINUTES OF THE REGULAR MEETING OF THE FAIRFAX COUNTY
REDEVELOPMENT AND HOUSING AUTHORITY

September 22, 2005

On September 22, 2005, the Commissioners of the Fairfax County Redevelopment and Housing Authority (FCRHA) met in the FCRHA Board Room, One University Plaza, 4500 University Drive, Fairfax, Virginia.

CALL TO ORDER

FCRHA Chair Conrad Egan called the meeting of the FCRHA to order at 7:12 p.m. FCRHA Commissioners present or absent for a portion or all of the meeting were as follows:

PRESENT

Conrad Egan
Martin Dunn
John Kershenstein
Elisabeth Lardner
John Litzenberger
Al McAloon
Lee A. Rau
Joan Sellers

ABSENT

Ronald Christian
Willard Jasper
H. Charlen Kyle

Also present at the meeting were the following staff of the Department of Housing and Community Development (HCD): Paula C. Sampson, Director; Mary A. Stevens, Deputy Director; Harry Swanson, Deputy Director, Revitalization and Real Estate; Kristina Norvell, Director, HCD Office of Public Affairs; Michael Wever, Chief, Housing Services Branch, HMD; Curtis Hall, Director, Information Systems and Services (ISS); John Payne, Director, Design, Development and Construction (DD&C) Division; Susan Retz, Senior Design and Construction Manager, DD&C; Steve Solomon, Director, Financial Management Division (FMD); Joe Maranto, Fiscal Administrator, FMD; Penny Xu, Fiscal Administrator, FMD; Aseem Nigam, Director, Real Estate Finance and Grants Management Division (REFGM); Audrey Spencer Horsley, Associate Director, REFGM; Louise Milder, Associate Director, REFGM; Elisa Johnson, Grants Coordinator, REFGM; Molly Norris, Senior Real Estate Development Officer, REFGM; Barbara Silberzahn, Chief, Homeownership and Relocation Services; Bonnie Conrad, Housing Services Specialist, Home Ownership and Relocation Services, and Winifred A. Clement, FCRHA Assistant. Other Fairfax County staff in attendance: Alan Weiss, Assistant County Attorney and FCRHA Counsel.

CITIZEN TIME

Michael Milliner, of Building Partnerships, testified before the FCRHA about its efforts to develop an SRO in Fairfax County. His organization currently works in the District of Columbia and is looking forward to providing affordable housing in Fairfax County. He expressed frustration with the process that must be followed to gain approval for funding for affordable housing projects, noting that he had identified two potential sites for an SRO but was not able to meet the qualifications for receiving pre-development funding for either

project due to the timeline. He asked for direction from the commissioners and responded to questions and comments from the Commissioners. Commissioner Sellers noted the importance of educating the community to gain broad-based support and to acquaint them with his organization. Commissioner Kershenstein advised the speaker to make sure what he wishes to develop is already in the current zoning ordinance. Chairman Egan requested that the Planning and Development Committee discuss this issue at their next meeting.

APPROVAL OF MINUTES

A motion was made by Commissioner McAloon, seconded by Commissioner Litzenberger, that the FCRHA approve the Minutes of the July 21, 2005 meeting as written. A vote was taken; the motion carried, with Commissioner Sellers abstaining.

Without objection, the Chair modified the Agenda to consider Action Item Number 4, Resolution Numbers 67-05 and 68-05 ahead of the other items to accommodate some visitors in the audience.

ACTION ITEMS

4. RESOLUTION NUMBER 67-05

APPROVAL OF A \$25,000 FAÇADE IMPROVEMENT PROGRAM (FIP) GRANT TO SOUTHEAST FAIRFAX DEVELOPMENT CORPORATION (SFDC), INTERNATIONAL CENTER FOR CHRISTIAN MINISTRIES LOCATED AT 6401 RICHMOND HIGHWAY, ALEXANDRIA, VIRGINIA 22306, SUBJECT TO BOARD OF SUPERVISORS APPROVAL (MOUNT VERNON DISTRICT)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby:

1. Approves a Richmond Highway Façade Improvement Program (the Program) grant in the amount of \$25,000 to Dr. Samuel Addy, owner of the International Center for Christian Ministries, located at 6401 Richmond Highway, Alexandria, VA 22306, on property also identified as Fairfax County Tax Map Number 0833 01 0014, subject to compliance with all of the Program requirements and the approved application documents and to be used solely for the purpose of façade improvements as described in the approved Program application documents; and

2. Authorizes the Chairman, Vice Chairman, or any Assistant Secretary on behalf of the FCRHA to execute and deliver all necessary or appropriate documents relating to the Richmond Highway Façade Improvement Program grant approved by the FCRHA for the project as outlined in the item presented to the FCRHA at its meeting on September 22, 2005.

RESOLUTION NUMBER 68-05

APPROVAL OF A \$25,000 FAÇADE IMPROVEMENT (FIP) GRANT TO SOUTHEAST FAIRFAX DEVELOPMENT CORPORATION (SFDC), BODNER CHIROPRACTIC PROJECT LOCATED AT 6969 RICHMOND HIGHWAY, ALEXANDRIA, VIRGINIA 22306, SUBJECT TO BOARD OF SUPERVISORS APPROVAL (MOUNT VERNON DISTRICT)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby:

1. Approves a Richmond Highway Façade Improvement Program (the Program) grant in the amount of \$25,000 to Dr. Brian Bodner, owner of the Bodner Chiropractic, located at 6969 Richmond Highway, Alexandria, VA 22306, on property also identified as Fairfax County Tax Map Number 0931 18E 0156, subject to compliance with all of the Program requirements and the approved application documents and to be used solely for the purpose of façade improvements as described in the approved Program application documents; and

2. Authorizes the Chairman, Vice Chairman, or any Assistant Secretary on behalf of the FCRHA to execute and deliver all necessary or appropriate documents relating to the Richmond Highway Façade Improvement Program grant approved by the FCRHA for the project as outlined in the item presented to the FCRHA at its meeting on September 22, 2005.

A motion was made by Commissioner Lardner, seconded by Commissioner McAloon, that the FCRHA adopt Resolution Number 67-05 and 68-05, respectively.

A brief presentation was given by Robert Fields, Director of the Revitalization Projects Division, HCD. Mr. Fields recognized Rick Neal, President of SFDC, and Mrs. Laura Fritz, Executive Director of SFDC. Mr. Neal thanked the FCRHA for its leadership on the Façade program and recommended a favorable consideration of the two resolutions. Dr. Addy and Dr. Bodner also thanked the FCRHA for the funding.

Commissioner Lardner gave support for the two projects and praised the work of SFDC on Richmond Highway. She showed before and after pictures of two previous projects supported by previously approved grants. Commissioner McAloon also concurred with Commissioner Lardner.

After discussion, a vote was taken on Resolutions Number 67-05 and 68-05 and the motion carried unanimously.

2. RESOLUTION NO. 65-05

AUTHORIZATION TO AMEND THE ISLAND WALK INDENTURE AND LOAN
AGREEMENT (HUNTER MILL DISTRICT)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby authorizes the execution and delivery of certain amendments, as necessary, to the Island Walk Indenture and Loan Agreement related to the Multifamily Housing Revenue Bonds (FHA-Insured Mortgage – Island Walk Project) Series 2004 (the “Bonds”), issued by FCRHA, to permit the distribution to a sub-account of the Bond Fund to be established and called the Project Completion Account, of certain excess funds held under the Indenture and to permit release of excess funds in the Project Completion Account to Island Walk, LP following completion of the Project; and

BE IT FURTHER RESOLVED that the execution and delivery of such amendments is contingent upon (i) receipt by the FCRHA of a reconfirmation of the rating on the Bonds by the applicable rating agency, (ii) receipt by the FCRHA of an opinion of Bond Counsel to the effect that execution and delivery of such amendments will not, in and of itself, adversely affect the tax exempt status of the Bonds, and (iii) delivery of such other certificates and opinions that may be required under the Indenture and the Loan Agreement, as applicable, in connection with any such amendments and as recommended by Bond Counsel or required by the rating agency, and (iv) payment by Island Walk LP of all fees and expenses of Bond Counsel, Underwriter’s Counsel, the Rating Agency, and any other third party in connection with the actions contemplated by this Resolution; and

BE IT FURTHER RESOLVED that the FCRHA hereby authorizes its Chairman, Vice Chairman or any Assistant Secretary to execute any such amendments to the Island Walk Indenture and Loan Agreement and any other related documents or certificates.

The Chair recused himself from any participation or consideration in Action Item Number 2, Resolution Number 65-05, and turned the gavel over to Commissioner McAloon to chair the meeting at this point, due to the fact that he serves on the board of the Community Preservation Development Corporation which is the developer for this project.

A motion was made by Commissioner Rau, seconded by Commissioner Dunn, to adopt Resolution Number 65-05. A brief presentation was made by Louise Milder. After the presentation, Ms. Milder responded to questions from the Commissioners.

A vote was taken after discussion, and the motion carried unanimously.

3. RESOLUTION NUMBER 66-05

PARCEL VACATION, TERMINATION AND RELEASE OF DECLARATION
AFFECTING ROSEDALE MANOR PUBLIC HOUSING DEVELOPMENT AND
ADJACENT PROPERTIES (MASON DISTRICT).

WHEREAS, the Fairfax County Redevelopment and Housing Authority (hereinafter called the "Authority") is the owner in fee simple of certain Land located in Fairfax County, Virginia (the "Land"), Tax Map Number: 061-2-01-0083, which is one of three parcels that comprise the site of the Rosedale Manor public housing development;

WHEREAS, the Land is subject to a Declaration and Agreement entered into the land records in 1962 that provides certain rights related to access, and use and maintenance of a pool at the Rosedale Manor property;

WHEREAS, the Arlington Virginia Federal Credit Union (AFVCU) intends to purchase the adjoining property and has requested that the Authority agree to a release from this Declaration and Agreement, and has stated that it will not assert any rights previously agreed to in relation to this Declaration and Agreement;

WHEREAS, the Parties (FCRHA and AVFCU) desire to vacate, terminate and release all easements, restrictions, rights, obligations and agreements set forth in the Declaration entered into on January 31, 1962 and as recorded among the land records of Fairfax County in the Clerk's Office of the Circuit Court of the County of Fairfax, Virginia at Deed Book 2121, Page 348 ("the Declaration").

NOW THEREFORE BE IT RESOLVED that the Authority, for and in consideration of the sum of One Dollar (\$1.00), cash paid in hand, hereby grant, convey, vacate, demise, terminate, and release unto Sun Lodge, its successors and assigns all easements, restrictions, rights, obligations and agreements as set forth in said Declaration;

BE IT FURTHER RESOLVED that the Authority hereby authorizes its Chairman, Vice Chairman, or any Assistant Secretary to execute any and all documents necessary to facilitate this action as identified in the item presented to the FCRHA at its meeting of September 22, 2005

A motion was made by Commissioner Sellers, seconded by Commissioner McAloon, to move for a consideration, instead of adoption, of Resolution Number 66-05, at this time. A brief presentation was made by HCD Deputy Director Mary Steven on Resolution Number 66-05, after which she responded to questions from the Commissioners.

After the presentation, a motion was made by Commissioner Sellers, seconded by Commissioner McAloon, to adopt Resolution Number 66-05. A vote was taken after discussion, and the motion carried unanimously.

Commissioner Sellers reminded staff that the Commissioners should be informed in advance of any FCRHA items relating to their individual districts.

With arrival of the FCRHA Bond Counsel, the FCRHA moved to consider Action Item Number 1, Resolution Number 63-05 and 64-05, jointly.

1. RESOLUTION NUMBER 63-05

ISSUANCE OF FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
MULTIFAMILY HOUSING REVENUE BONDS
(HOLLYBROOKE II PROJECT) SERIES 2005

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$10,500,000 OF FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY MULTIFAMILY HOUSING REVENUE BONDS (HOLLYBROOKE II PROJECT) SERIES 2005; DESIGNATING THE BONDS AS LIMITED OBLIGATIONS OF THE AUTHORITY; APPROVING AND AUTHORIZING THE SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF THE TRUST INDENTURE, LOAN AGREEMENT, LAND USE RESTRICTION AGREEMENT, AND BOND PURCHASE AGREEMENT IN SUBSTANTIALLY THE FORM MADE AVAILABLE FOR REVIEW, AND THE NO ARBITRAGE CERTIFICATE AND TAX AGREEMENT, AND OTHER DOCUMENTS RELATED TO THE ISSUANCE AND SALE OF THE BONDS AND AUTHORIZING PROPER OFFICERS TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION HEREWITH.

WHEREAS, the Fairfax County Redevelopment and Housing Authority (the "Authority") is a political subdivision of the Commonwealth of Virginia, established pursuant to the Virginia Housing Authority Law, Title 36, Chapter 1, *Code of Virginia*, 1950, as amended (the "Act"), and is authorized thereby to issue its notes and bonds from time to time to fulfill its public purposes within the meaning of the Act; and

WHEREAS, pursuant to and in accordance with the Act, the Authority desires to issue, sell, and deliver its Multifamily Housing Revenue Bonds (Hollybrooke II Project) Series 2005 (the "Bonds") in an aggregate principal amount not to exceed \$10,500,000; and

WHEREAS, the proceeds of the Bonds will be used in part to provide financing for the acquisition and rehabilitation of a 98-unit multifamily housing project known as Hollybrooke II (the "Project"), located in Fairfax County, at 3012 Patrick Henry Drive, Falls Church, Virginia; and

WHEREAS, the Bonds will be sold to one or both of the seller(s) of the 98 units (the "Seller") pursuant to a private placement; and

WHEREAS, the Bonds will not be credit enhanced, will not be rated and will be subject to restrictions on transferability; and

WHEREAS, the Project will be owned by AHC Limited Partnership - 12 with AHC, Inc., as the managing general partner; and

WHEREAS, the Assistant Secretary executed the Declaration of Intent on May 10, 2005 evidencing the intent of the FCRHA to issue bonds; and

WHEREAS, pursuant to the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), the Authority is required to hold a public hearing ("TEFRA Hearing") in connection with issuance of the Bonds; and

WHEREAS, the Authority held the TEFRA Hearing on July 21, 2005; and

WHEREAS, for purposes of compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended, the proposed financing was approved by the Fairfax County Board of Supervisors; and

WHEREAS, there have been prepared proposed forms of:

(i) the Trust Indenture between the Authority and Wachovia Bank National Association Trustee (the Trustee),

(ii) the Loan Agreement by and between the Authority and AHC Limited Partnership -12 (the "Owner");

(iii) the Land Use Restriction Agreement by and among the Authority, the Trustee and the Owner;

(iv) the Bond Purchase Agreement between the Authority and the seller(s) of the units;

NOW, THEREFORE, BE IT RESOLVED BY THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY:

Incorporation of Recitals. The Recitals contained in this Resolution are true and correct and are incorporated in this Resolution by this reference.

Issuance of the Bonds. The Commissioners of the Authority (the "Commissioners") hereby authorize the issuance of the Bonds by the Authority, for the purpose of providing financing for the acquisition and rehabilitation of the Project. The principal amount of the Bonds shall not exceed \$10,500,000. The Bonds shall be issued in authorized denominations as set forth in the Indenture, numbered as the Trustee shall determine, and shall be fully registered without coupons. The Bonds shall be dated and shall

bear interest at such rate or rates as set forth in the Indenture and approved by the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority. The Bonds shall mature on such date or dates as provided in the Indenture.

The Bonds are anticipated to be issued in certification form but may be issued in book-entry form, registered in the name of Cede & Co., as the nominee of the Depository Trust Company, New York, New York ("DTC"), so long as the principal of, and interest on, the Bonds shall be payable in accordance with the procedures of DTC or any successor thereto. In the event that the Bonds are issued in certificate form, the principal of the Bonds shall be payable upon presentation thereof at the principal corporate trust office of the Trustee under the Indenture. The interest on the Bonds shall be paid by check or draft of the Trustee sent to the registered owners of the Bonds; provided, however, if requested in writing by the registered owner of at least \$1,000,000 in principal amount of the Bonds and if proper instructions are provided to the Trustee as required under the Indenture, the Trustee is hereby authorized to pay the interest on the Bonds by wire transfer to any such owner.

The Bonds shall be executed on behalf of the Authority by, and bear the manual or facsimile signature of, the Chairman or the Vice Chairman of the Authority, and the seal of the Authority shall be thereunto affixed (or imprinted or engraved if in facsimile) duly attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the Authority or any other person authorized to do same ("Authorized Representative").

The Bonds shall be in the form set forth in the final form of the Indenture.

Limited Obligation. The Bonds shall be a limited obligation of the Authority, secured by and payable solely from the trust estate pledged under the Indenture.

THE BONDS AND THE INTEREST THEREON WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY AND WILL BE PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE INDENTURE. NEITHER THE COMMISSIONERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY THEREON BY REASON OF THE ISSUANCE THEREOF. THE BONDS AND THE INTEREST THEREON SHALL NOT BE A DEBT OF THE COUNTY OF FAIRFAX, VIRGINIA, THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) AND NEITHER THE COUNTY OF FAIRFAX, VIRGINIA NOR THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) SHALL BE LIABLE THEREON NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS PLEDGED THERETO UNDER THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

The Indenture. The Indenture is hereby approved in the form made available at this meeting. The Chairman or the Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Indenture in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chairman or the Vice Chairman, the execution of the Indenture being conclusive evidence of such approval and of the approval of the Authority; and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to affix the seal of the Authority to the Indenture and to attest same.

Delivery of Bonds. After execution on behalf of the Authority, the Bonds shall be delivered to the Seller pursuant to a private placement.

Bond Counsel. Ballard Spahr Andrews & Ingersoll, LLP is hereby appointed Bond Counsel in connection with the issuance and sale of the Bonds.

Land Use Restriction Agreement. The Land Use Restriction Agreement is hereby approved in the form made available at this meeting. The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the Land Use Restriction Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority, the execution of the Land Use Restriction Agreement being conclusive evidence of such approval and of the approval of the Authority.

The Bond Purchase Agreement. The Bond Purchase Agreement (the "Bond Purchase Agreement") is hereby approved in the form made available at this meeting. The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority, the execution of the Bond Purchase Agreement being conclusive evidence of such approval and of the approval of the Authority.

Tax Agreement. The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver on behalf of the Authority (i) the No Arbitrage Certificate and Tax Agreement (the "Tax Agreement") prepared by Bond Counsel, the execution of such Tax Agreement being conclusive evidence of the approval of the Authority and (ii) an Internal Revenue Service Form 8038 relating to the Bonds prepared by Bond Counsel.

The Loan Agreement. The Loan Agreement is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Loan Agreement and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to affix the seal of the Authority to the Loan Agreement and to attest the same in

substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chairman or the Vice Chairman, the execution of the Loan Agreement being conclusive evidence of such approval and of the approval of the Authority.

Other Action. The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority or any Authorized Representative is hereby authorized and directed to execute and deliver any and all additional documents, certificates and instruments necessary or proper to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution and the securing and issuance of the Bonds.

No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Land Use Restriction Agreement, the Tax Agreement, the Bonds, or in any other agreement, certificate or document executed on behalf of the Authority shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of the Authority in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Action Approved and Confirmed. All acts and doings of the Commissioners, officers, agents or employees of the Authority which are in conformity with the purposes and intent of this Resolution and in the furtherance of the issuance of the Bonds and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

Severability. If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provisions to be invalid, inoperative or unenforceable to any extent whatsoever.

Repealer; Effective Date. Any resolutions or orders or parts thereof in conflict with this Resolution are to the extent of such conflict hereby repealed. This Resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 64-05

AUTHORIZATION, SUBJECT TO THE APPROVAL OF THE FAIRFAX COUNTY BOARD OF SUPERVISORS, TO MAKE A LOAN TO AHC LIMITED PARTNERSHIP - 12 IN AN AMOUNT NOT TO EXCEED \$3,750,000 FROM FUND 319, ONE PENNY FOR HOUSING (HOUSING FLEXIBILITY FUND) FOR THE ACQUISITION, REHABILITATION AND PRESERVATION OF 98 UNITS AT HOLLYBROOKE II CONDOMINIUMS (MASON DISTRICT)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby authorizes subject to the approval of the Fairfax County Board of Supervisor the making of a loan to AHC Limited Partnership – 12 in accordance with the terms and conditions, as stated in the Affordable Housing Partnership Program (AHPP) Summary Term Sheets as of September 22, 2005 (AHPP Loan) provided as Attachment 3;

BE IT FURTHER RESOLVED that the FCRHA hereby authorizes its Chairman, Vice Chairman or any Assistant Secretary to make a loan to AHC Limited Partnership - 12 in an amount not to exceed \$3,750,000 from the Housing Flexibility Fund for the purpose of providing financing to AHC Limited Partnership - 12 to be used toward the acquisition, rehabilitation, and preservation of Hollybrooke II Condominiums. In addition, the FCRHA authorizes Paula C. Sampson to act as its authorized negotiator, and further authorizes its Chairman, Vice Chairman or any Assistant Secretary to execute all documents and agreements necessary or appropriate in connection with the AHPP Loan.

A motion was made by Commissioner Sellers, seconded by Commissioner Dunn, that the FCRHA adopt Resolution Numbers 63-04 and 64-04 jointly.

A presentation was made by Louise Milder, Associate Director, Real Estate Finance and Grants Management Division, HCD. After the presentation, Ms. Milder and the FCRHA Board Counsel, Margo Stern, responded to questions from the Commissioners concerning the increase in the amount requested from the One Penny for Housing Fund and providing a priority for residents of Fairfax County.

A vote was taken after discussion, and the motion carried unanimously.

5. RESOLUTION NUMBER 69-05

APPROVAL OF A GRANT OF UP TO \$150,000 IN INVESTING IN COMMUNITIES PROGRAM (ICP) FUNDING TO ANNANDALE CENTRAL BUSINESS DISTRICT PLANNING COMMITTEE, INC. (ACBDPC) FOR A FEASIBILITY STUDY FOR CONSTRUCTION OF A PEDESTRIAN WALKWAY CONNECTION BETWEEN BUSINESS AND RESIDENTIAL AREAS IN ANNANDALE, SUBJECT TO BOARD OF SUPERVISORS APPROVAL (MASON DISTRICT)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA):

1. Approves a grant from the Investing in Communities Program (ICP) of up to \$150,000 to the Annandale Central Business District Planning Committee, Inc. to fund a feasibility study prior to implementing construction of a series of walkways and trails to connect residential areas to downtown Annandale.
2. Authorizes the Chairman, Vice Chairman, and any Assistant Secretary to execute any and all documents necessary to facilitate this action within the funding available as identified in the item presented to the FCRHA at its meeting of September 22, 2005, subject to final approval by the Board of Supervisors.

RESOLUTION NUMBER 70-05

APPROVAL OF A GRANT OF UP TO \$100,000 IN INVESTING IN COMMUNITIES PROGRAM (ICP) FUNDING TO ANNANDALE CENTRAL BUSINESS DISTRICT PLANNING COMMITTEE, INC. (ACBDPC) FOR INSTALLATION OF NEW INTERNAL TRAFFIC AND PEDESTRIAN CIRCULATION SIGNAGE FOR THE ANNANDALE COMMERCIAL REVITALIZATION DISTRICT (CRD), SUBJECT TO BOARD OF SUPERVISORS APPROVAL (MASON DISTRICT)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA):

1. Approves a grant from the Investing in Communities Program (ICP) of up to \$100,000 to the Annandale Central Business District Planning Committee, Inc. to install new internal traffic and pedestrian circulation signage to promote unfettered and safe pedestrian access to all parts of the Annandale CRD; and ensure appropriate vehicular traffic flow.
2. Authorizes the Chairman, Vice Chairman, and any Assistant Secretary to execute any and all documents necessary to facilitate this action within the funding available as identified in the item presented to the FCRHA at its meeting of September 22, 2005, subject to final approval by the Board of Supervisors.

RESOLUTION NUMBER 71-05

APPROVAL OF A GRANT OF UP TO \$600,000 IN INVESTING IN COMMUNITIES PROGRAM (ICP) FUNDING IN ANNANDALE CENTRAL BUSINESS DISTRICT PLANNING COMMITTEE, INC. (ACBDPC) FOR CONSTRUCTION OF 1,000 LINEAR FEET OF STREETScape IMPROVEMENTS IN THE ANNANDALE COMMERCIAL REVITALIZATION DISTRICT (CRD), SUBJECT TO BOARD OF SUPERVISORS APPROVAL (MASON DISTRICT)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA):

1. Approves a grant from the Investing in Communities Program (ICP) of up to \$600,000 to the Annandale Central Business District Planning Committee, Inc. to fund construction of 1,000 linear feet of streetscape improvements in the Annandale Commercial Revitalization District on the north side of Columbia Pike from Backlick Road to the Annandale Fire Station #8.
2. Authorizes the Chairman, Vice Chairman, and any Assistant Secretary to execute any and all documents necessary to facilitate this action within the funding available as identified in the item presented to the FCRHA at its meeting of September 22, 2005, subject to final approval by the Board of Supervisors.

A motion was made by Commissioner Sellers, seconded by Commissioner McAloon, that the FCRHA adopt Resolution Numbers 69-05, 70-05, and 71-05, jointly. A presentation was made by Robert Fields, Director of Revitalization Projects. After the presentation, Mr. Fields responded to questions from the Commissioners.

A vote was taken on the motion to adopt the above-mentioned resolutions, and the motion carried unanimously.

6. RESOLUTION NUMBER 77-05

APPROVAL OF REALLOCATION WITHIN FUND 145, HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME), TO PROVIDE TENANT-BASED RENTAL ASSISTANCE (TBRA) TO UP TO 25 HOUSEHOLDS DISPLACED BY HURRICANE KATRINA, SUBJECT TO BOARD OF SUPERVISORS APPROVAL

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby authorizes reallocation of up to \$460,000 within Fund 145, HOME Investment Partnerships Program (HOME), contingent upon Board of Supervisors

approval, to provide tenant-based rental assistance for up to 25 households for up to one year, as outlined in the item presented to the FCRHA at its September 22, 2005 meeting.

A motion was made by Commissioner McAloon, seconded by Commissioner Sellers, that the FCRHA adopt Resolution Number 77-05.

As requested by the FCRHA Chair, a brief an update on Hurricane Katrina was given by Barbara Silberzahn, Chief, HCD Home Ownership and Relocation Services Elisa Johnson, HCD Grants Coordinator., and Michael Wever, Chief, Housing Services Branch. After the update, they responded to questions from the Commissioners.

A presentation was given by Audrey Spencer-Horsley on Resolution Number 77-05. After the presentation, she responded to questions from the Commissioners. After further discussions, a vote was taken on the resolution, and the motion carried unanimously. Commissioner Kershenstein inquired as to whether the FCRHA would have a similar program for Rita as it is doing for Katrina and recommended that advanced planning be done.

ADMINISTRATIVE ITEMS

1.

RESOLUTION NUMBER 72-05

COMMENDING ANNE MORRISON FOR HER YEARS OF SERVICE TO THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

WHEREAS, Anne Morrison has served the citizens of Fairfax County with the Department of Housing and Community Development since August 1993 as Director of Real Estate Finance, Director of Marketing and Asset Manager; and

WHEREAS, during her tenure she played a critical role in establishing partnerships with non-profits, developers and investors to further the mission of providing affordable housing to those in need; and

WHEREAS, she consistently displayed a commitment to the agency, identifying agency needs and stepping in to perform numerous duties and functions beyond the scope of her normal daily responsibilities; and

WHEREAS, she helped establish and define the role of Asset Manager with the Department of Housing and Community Development; and

WHEREAS, she played a key role in bringing projects such as Morris Glen, Tavenner, Murraygate, Stonegate, Gum Springs Glen, Herndon Harbor House, Castellani and Founders Ridge to fruition; and

WHEREAS, she was an important contributor to the Magnet Housing and HCD Excellence Teams; and

WHEREAS, she was instrumental in the partnership with Habitat of Humanity for Northern Virginia and the development of 18 homes on Stevenson Street; and

WHEREAS, she undertook to establish the FCRHA's webpage and maintained it for a number of years; and

NOW THEREFORE BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority expresses its gratitude to Anne Morrison for her years of dedicated service to the community and to the FCRHA, and wishes her a prosperous and happy future and success in all her endeavors.

A motion was made by Commissioner Sellers, seconded by Commissioner Kershenstein, that the FCRHA adopt Resolution Number 72-05.

The FCRHA Chair and other Commissioners thanked Ms. Morrison for her service to the County and for stepping in and fulfilling other duties that were not her assignments. Mr. Egan commended Ms. Morrison for establishing and maintaining the FCRHA Web page for a number of years and for the part she played in the development of the Stevenson Place property. The Chair read a note from Commissioner Kyle, who could not be present at the meeting, thanking Ms. Morrison for her acts of kindness toward her.

A vote was taken to adopt Resolution Number 72-05, and the motion carried unanimously. Ms. Morrison thanked the Commissioners for the opportunity to work with them for almost 13 years and for the Resolution in her behalf.

3. RESOLUTION NUMBER 73-05

PROPOSED REVISIONS TO THE MODERATE INCOME DIRECT SALES
(MIDS) PROGRAM

BE IT HEREBY RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves implementation of revised Moderate Income Direct Sales (MIDS) Program set forth in the item presented to the FCRHA at its meeting on September 22, 2005, including the following recommendations:

1. Repurchase all available MIDS units and not waive the right to repurchase MIDS units unless there are the extreme title problems with the unit or a satisfactory

substitute replacement unit is provided. Resell the repurchased MIDS units through the First-Time Homebuyers (FTHB) program or to qualifying immediate family members with a new 30-year First-Time Home Buyer Covenants. If HCD does not recommend resale of a unit to a qualifying first-time homebuyer through the FTHB program or family member, the resale plan would be brought back to the FCRHA for approval in accordance with the item presented.

2. Allow controlled repurchase price increases for replacements and improvements in the same manner as set forth in the Affordable Dwelling Unit (ADU) regulations. Provide reasonable rehabilitation of units funded through commensurate increases in repurchase resale prices, subsidies from the FCRHA, subsidies to the buyer or the transfer to an approved non-profit for rehabilitation and resale to a qualified buyer with an affordability period equal to the then current ADU initial control period.
3. Establish the "Preservation Bonus" described in the accompanying item to encourage owners to resell units and keep them as affordable housing resources.
4. Establish the MIDS Rehabilitation Loan Program, a forgivable loan program, initially funded by HOME funds for major improvements made by existing owners, or new purchasers. The loans will use the same underwriting standards as the Home Improvement Loan Program (HILP) loan criteria with deferred payments. The loans would accrue interest annually for a fifteen (15) year term, at the end of fifteen (15) years the loan will be forgiven. Borrowers must meet HOME income requirements. The Loan Underwriting Committee is authorized to add the cost of approved improvements to the calculated resale price of the unit at the time of completion.

BE IT FURTHER RESOLVED that the FCRHA hereby authorizes that these revisions be incorporated into current MIDS program regulations.

A motion was made by Commissioner McAloon, seconded by Commissioner Litzenberger, that the FCRHA adopt Resolution Number 73-05.

Chairman Egan read an e-mail from Commissioner Jasper, explaining that he was unable to attend the meeting because he was assisting with cleanup work in New Orleans as a result of Hurricane Katrina.

A presentation was give by Bonnie Conrad, Homeownership Program Manager, HCD. After the presentation, Ms. Conrad responded to questions from the Commissioners. A vote was taken after discussion, and the motion carried unanimously.

3. RESOLUTION NUMBER 74-05

APPROVAL OF AN AMENDMENT TO THE PROFESSIONAL AND
CONSULTANT SERVICES LIST

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby adopt the Professional and Consultant Services List as presented to the FCRHA at its September 22, 2005 meeting.

A motion was made by Commissioner Rau, seconded by Commissioner Dunn, that the FCRHA adopt Resolution Number 74-05. After discussion, a vote was taken, and the motion carried unanimously

4. RESOLUTION NO. 75-05

APPROVAL OF REVISED TAX-EXEMPT MULTIFAMILY FINANCING
PROGRAM POLICIES

WHEREAS, the Fairfax County Department of Housing and Community Development is revising and streamlining the Fairfax County Redevelopment and Housing Authority's Tax-Exempt Multifamily Housing Financing Program; and

WHEREAS, revised procedures were approved in March 2005.

NOW, THEREFORE, BE IT RESOLVED, that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves the revised Tax-exempt Multifamily Housing Financing Program Policies that modifies the policies to be more responsive to users of the program, as presented to the FCRHA at its meeting on September 22, 2005.

A motion was made by Commissioner Dunn, seconded by Commissioner Kershenstein, that the FCRHA adopt Resolution Number 75-05.

A brief summary was given by Aseem Nigam, Director of Real Estate Finance and Grants Management Division. After the summary, Mr. Nigam responded to questions from the Commissioners. Brief remarks were made by Alan Weiss, Assistant County Attorney, FCRHA Counsel.

After discussion, a vote was taken on the motion to adopt Resolution Number 75-05, as follows:

AYE

Conrad Egan
Martin Dunn
Elizabeth Lardner
John Litzenberger
Albert McAloon
Lee Rau
Joan Sellers

NAY

ABSTAIN

John Kershenstein

The motion carried, with Commissioner Kershenstein abstaining.

5. RESOLUTION NUMBER: 76-05

APPOINTMENT TO THE CONDOMINIUM BOARDS OF
HERNDON HARBOR HOUSE II AND GUM SPRINGS GLEN
(DRANESVILLE AND MOUNT VERNON DISTRICTS)

BE IT HEREBY RESOLVED THAT the Fairfax County Redevelopment and Housing Authority:

1. Appoints Steven A. Solomon, Director of Finance for the Fairfax County Department of Housing and Community Development ("HCD"), to the Board of Directors of the Condominium Associations for Herndon Harbor House II and Gum Springs Glen to replace Michael Finkle, who has retired from HCD, and therefore, can no longer serve on these condominium boards; and
2. Authorizes Steven A. Solomon to serve on the Board of Directors of the Condominium Associations for Herndon Harbor House II and Gum Springs Glen so long as he is employed by the Fairfax County Department of Housing and Community Development occupying his position of Director of Finance.

A motion was made by Commissioner Dunn, seconded by Commissioner Lardner, that the FCRHA adopt Resolution Number 76-05. A vote was taken after discussion, and the motion carried unanimously.

Information Items

1. Fairfax County Redevelopment and Housing Authority Meeting Summary – July 21, 2005
2. Contracts of \$50,000 or Less
3. Minutes of the Housing Ownership, Management, and Security Committee Meeting– September 13, 2005
4. Minutes of the Revitalization and Redevelopment Committee Meeting – September 13, 2005
5. Summary of the Meeting of the Representatives of the Fairfax County Redevelopment and Housing Authority and the Redevelopment and Housing Committee of the Planning Commission – July 27, 2005
6. Summary of the Board of Supervisors Housing Committee Meeting – August 1, 2005
7. Affordable Dwelling Unit (ADU) Tracking Report - *Brief presentation by Gordon Goodlett and brief discussion*
8. Fairfax County Redevelopment and Housing Authority Calendar of Meetings for October and November 2005 – *Commissioner Egan announced that on October 5, 6, and 7, the National Symposium on Inclusionary Housing will be held in Washington, D.C*

CLOSED SESSION

A motion was made by Commissioner Dunn, seconded by Commissioner Kershenstein, that the Fairfax County Redevelopment and Housing Authority (FCRHA) recess and go into Closed Session for consultation with legal counsel and briefings by staff members pertaining to Washington Mutual Bank, FA et al., v. Costello P. Wilson, et al. pursuant to Va. Code Ann § 2.1-344(A)(7).

The motion carried and the FCRHA went into Closed Session at 9:40 p.m.

OPEN MEETING RESUMED

A motion was made by Commissioner Dunn, seconded by Commissioner Sellers, that the members of the Fairfax County Redevelopment and Housing Authority certify that to the best of their knowledge only public business matters lawfully exempted from the open meeting requirements prescribed by the Virginia Freedom of Information Act and only matters identified in the motion to convene Closed Session were heard, discussed or considered by the Fairfax County Redevelopment and Housing Authority during Closed Session.

A vote was taken by roll call, and the motion carried unanimously. Open meeting resumed

at 10:10 p.m.

A motion was made by Commissioner McAloon, seconded by Commissioner Kershenstein, that the Fairfax County Redevelopment and Housing Authority authorize the County Attorney to enter into a settlement agreement in the case *Washington Mutual Bank, FA et al., v. Costello P. Wilson, et al.* in the terms as outlined by the Assistant County Attorney in Closed Session.

A vote was taken, and the motion carried unanimously.

BOARD MATTERS – See Attachment #1

ADJOURNMENT

A motion was made by Commissioner Litzenberger, seconded by Commissioner Kershenstein, to adjourn the meeting at 10:20 p.m. A vote was taken and the motion carried unanimously.

(Seal)

Conrad Egan, Chair

Paula C. Sampson, Assistant Secretary